



The Americas Update

December 2005

Business Opportunities

Canada

Industry: Export-Ready Plastic Resin

The U.S. Commercial Service in Toronto (CS Toronto) believes that dynamic opportunities exist in Canada for U.S. export-ready plastic resin firms. Demand for plastic resins appears to be back on track after accounting for macroeconomic factors such as the strength in the Canadian dollar and uncertainty in short-term interest rates, which had a perverse effect on the resin industry in 2001. Since then the Canadian plastics resin industry has grown rapidly and in 2004 was valued at C\$8.5 billion (US\$6.8 billion) reflecting the addition of new capacity and significant increases in prices during the year. The largest segment of plastic usage is the packaging industry (34 percent), followed by the construction industry (26 percent) and the automotive industry (18 percent). Industry projections are for a 5-7 percent average annual real growth worldwide in consumption of synthetic resins over the next five years with growth in North America projected at 3-4 percent.

For more information, click [here](#).

Mexico

Industry: Baby Products

The Mexican market for baby products is estimated at around US\$ 6.1 billion. In 2004, 68 percent of the country's population was below the age of 35 and there was a crude birth rate of 18.8 per thousand. Mexico's total population is around 104 million of which 74 percent live in urban areas. Of this 104 million, approximately 5 percent are wealthy, 18 percent are upper middle class, 37 percent are middle class, and 40 percent are poor. Demand for up-market portion of the baby products sector for 2006-2009 is estimated to be US\$ 1.4 billion. Luxury baby market trends include increased emphasis on breast-feeding, automobile safety seats, and other innovative baby care gadgets such as covert cameras, radio transmitters, and safety

devices. The market is ripe for U.S. manufactured baby products.

For more information, click [here](#).

Venezuela

Industry: Safety and Security

This report presents an overview of the Venezuelan safety and security equipment (S&S) market, including its sub-sectors, the potential for U.S. exports, and key factors that have influenced market growth. It is estimated that the value of the Venezuelan S&S market at \$US200 million, with projected annual growth of 3% the next three years.

The well-developed Venezuelan petroleum sector establishes strong base demand for specialized S&S equipment. It is anticipated that the priority the Venezuelan government has announced to expand industrial capacity in other basic industries, combined with the high level of oil-related revenues available to the government, will increase demand for relevant S&S technology. Little S&S equipment to meet this demand is produced locally.

At the same time, there are reasons why U.S. S&S products are competitive here, among them: the strength and innovation of U.S. S&S firms, geographic proximity, the traditional Venezuelan preference for U.S. products and services, the absence of technical barriers to S&S imports, and pricing advantages of dollar-denominated goods.

U.S. companies active in the Venezuelan oil, extractive, and basic industry sectors are importers of U.S. S&S technology. Other best prospect sub-sectors include personal safety products, access control systems, closed-circuit TV systems, fire detection, fire pumps and alarm systems. U.S. companies can access these sub-sectors through a local Venezuelan representative specialized in S&S technologies and service support.

Venezuelan factories produce very little of the safety and security equipment used in Venezuela, so S&S

imports of quality and affordability have good prospects in the Venezuelan Market. At the same time, there are many Venezuelan distributors and representatives that have both experience and expertise in sorting through the best and most commercially appealing technological solutions to Venezuelan S&S demand.

Venezuelan end-users benefit from the fact that most S&S imports do not face technical standard barriers because of widespread international standard recognition.

For more information, click [here](#).

Peru

Industry: Oil and Gas Field Machinery

The Peruvian economy is considered one of the most stable in Latin America after Chile and Mexico. In 2004, Peru's GDP reached US\$ 67 billion and GDP per capita increased from US\$ 2,000 in 2000 to an estimated US\$ 2,508. Inflation was 3.7% in the same year. Peru's economy grew 4.8% in 2004 and it is estimated to grow 5.8% in 2005. The proposed US-Andean FTA is expected to improve Peru's investment climate by increasing foreign interest and investment. The total market for oil and gas field machinery in Peru was estimated at US\$ 122.04 million in 2003 and US\$ 114.97 million in 2004. By December 2005, the market will grow to US\$ 170.00 million. Imports totaled US\$ 103.0 million in 2003 and US\$ 99.69 million in 2004. It is estimated that imports will grow at an average rate of 6.1% in the 2006-2007 period. The U.S. figures as one of the three top suppliers of oil and gas equipment, accessories, and spare parts with an average market share of 27.8%. There are no import restrictions for oil and gas field equipment in Peru. Local production is focused on intermediate and low technology metalworking equipment, spare parts and accessories, and polyethylene tubing, accessories and fittings.

Peru's exports of oil & gas field equipment are from foreign-based firms with branch offices in Peru and a few local manufacturers of parts and accessories. Recently discovered new hydrocarbon reserves along the northern Coast and in the Jungle region of Peru has kindled interest in prospecting and exploration. Foreign firms have begun to survey sedimentary basins nationwide. Additionally, the Camisea natural gas mega project came on-stream in August 2004 and its pipelines have already reached Lima, the capital city. The current Toledo administration has begun to pass legislation that will

prompt an energy matrix migration from oil/diesel powered technologies to natural gas-powered ones. In 2004, Peru's local demand for fuels grew 8% and State-run oil company, Petroperu, purchased approximately US\$ 225 million worth of oil derivatives. It is estimated that natural gas will represent 3% of country's local demand in 2005 and the demand for this pollution-free fuel will continue to increase significantly in the coming years. According to the Ministry of Energy and Mines (MINEM), there are more than 1,300 direct end users, 168 retailers, and 2,780 gas stations dispensing or using oil and gas derivatives.

There is great potential for new oil and gas projects in Peru and very good opportunities for suppliers to fulfill needs for equipment and services. There is strong demand for equipment that boosts productivity and lowers costs. Best prospects for 2006-2007 are: offshore oil and natural gas drilling and production platforms; spare parts for production platforms; gas separation equipment; casing and tubing pipes; reducer pressure valves; muds; polyethylene pipes; safety valves and rotary positive displacement pumps. It is important also to consider the increase in demand for kits to effect vehicle conversion from diesel/gasoline-power engines to natural gas-powered ones. Conversion kit components include: natural gas vehicle tanks, valves and reducers, timing advance processors, methane manometers, mixers and commutators.

For more information, click [here](#).

Brazil

Industry: Processed Food Market

According to the U.S. Bureau of the Census Trade Data the Brazilian market for processed food has increased in many fields. The importations for consumer oriented agricultural products have grown more than 50% from the year 2003 to 2004. Products such as snack foods, dairy, eggs, fruit & vegetable juices and nuts showed a considerable increase. Considering that the exchange rate for the Brazilian currency is favorable, there are great tendencies on the importations go even higher.

For more information, click [here](#).

Brazil

Industry: Silicone

Today it is estimated that silicones are used in more than 5,000 products. Silicones have become indispensable in the following sectors: cosmetic,

health, lubricants, electronics, automotive, textile, and construction.

The Brazilian market of this product is estimated at approximately US\$ 200 million per year. ABIQUIM (the Brazilian Chemical Industry Association) created the Sectorial Commission of the Silicones in 2000, whose mission is to follow the general performance of the segment of organ silicones in Brazil and outside the country. The commission works in conjunction with Dow Brazil, Rhodia Brazil and Wacker Chemical Brazil. These companies are responsible for the production of US\$ 1,5 million tons per year, representing a turnover of US\$ 5,5 billion.

The Brazilian silicone per capita consumption is estimated US\$ 1 per person/year (increasing every year) compared to an estimated consumption in the United States of approximately US\$ 8 per person/year.

For more information, click [here](#).

Trade Events

Brazil

Industry: Franchising, General Services

ABF Franchising Expo & Conference has approximately 150 exhibitors and attracts around 21,000 visitors. Brazil is a dynamic and business-oriented economy with a population of 170 million people, nearly half the population in South America. The territory of Brazil is the largest in Latin America and is larger than that of the continental United States. The country has a central location, sharing borders with 10 South American countries. It has a large and diversified manufacturing base and a vibrant commercial environment. Approximately 410 of the Fortune 500 corporations have operations in Brazil, and the American Chamber of Commerce of Brazil is the largest in the world outside of the United States with approximately 5,000 corporate members. The country's population is much like that of the United States with a diverse ethnic composition and large numbers of recent immigrants from all over the world. According to the Brazilian Franchising Census, released by ABF in early 2001, between 1995 and 1999 the franchising segment grew 20%, with total revenues of approximately US\$12 billion over five years. Franchising accounts for approximately 25% of gross retail revenues. Brazil boasts more than 53,000 franchised outlets spread over approximately 30 business segments and provides over 350,000 jobs. The Brazilian franchising market is very competitive but at the same time presents many good opportunities for U.S. firms with long-term business plans. The American Pavilion at ABF Franchising Expo is an

excellent chance for your company to develop business in Brazil at a reasonable cost. CS Brazil plans to organize a U.S. Pavillion at the event. The registration offers US exporters a special opportunity to enter the expanding Latin American market by exhibiting in the U.S. Pavilion. In addition, CS Brazil will provide the following services: Design and construction of a furnished booth, Marketing campaign in Brazil via our NUSA (NetworkUSA) partner organizations located in Brazil's 38 most dynamic business centers, Market counseling, Market overview, Shuttle service airport/hotel/airport and hotel/show/hotel, Hotel reservations, Trade Aides / interpreters etc.

For more information, click [here](#).

Canada

Industry: Architectural/Constr./Engineering SVC, Chemical Production Machinery, Computer Software, General Industrial Eq./Supplies, Mining Industry Eq., Oil/Gas Field Machinery, Oil/Gas/Mineral Prod/Explor Serv., Operations/Maintenance Services, Pollution Control Eq., Security/Safety Eq.

With over 1600 exhibiting companies and 50,000 visitors from 85 countries, the Global Petroleum Show is one of the most significant petroleum events anywhere in the world. Recognizing the significant opportunity in Canada's Energy Sector, CS Calgary, together with CS Team Canada and USDOC's Energy Team are organizing a U.S. Innovation Center right in the heart of this show. This 1600 square foot pavilion with include exhibitor space (restrictions apply), appointments with suitable trade partners and a U.S. Consulate General hosted reception.

For more information, click [here](#).

Brazil

Industry: Drugs/Pharmaceuticals, Health Care Services, Laboratory Scientific Instruments, Medical Eq.

Hospitalar is the # 1 healthcare fair for Brazil and Latin America, introducing the best technology in products, equipment and services for the healthcare area, presented by more than 750 Brazilian and international exhibitors. Hospitalar receives 65,000 visitors including doctors, nurses, PTs, administrators, distributors and other professionals interested in the healthcare area, coming from all over Brazil and Latin America. Major Products Lines: Hospital equipment, medical technology, laboratory equipment and disposables, emergency and transportation, orthopaedics and rehabilitation, medicines and hospital pharmacy,

information and communication technology, building technology: project, construction and maintenance, furniture and furnishings, clothing and linen for general use, laundry systems, catering, nutrition and hospital kitchen, surgery equipment, medical consumption goods, nursing and monitoring, traumatology and post-operative recovery, home healthcare, medical publications and journals. FCS Brazil plans to organize USA Pavilion at the show. The participation fee will include the following services: ·Booth with shell scheme structure, exhibitor's name; ·Promotional campaign in Brazil via our NUSA (NetworkUSA) partner organizations located in Brazil's 35 most dynamic business centers; ·Shipping/customs instructions and assistance for material or equipment shipped; ·Market counseling and briefing; ·Hotel reservation, Transportation from/to hotel to/from show; ·Interpreter at the booth during show hours. Internal Comments

For more information, click [here](#).

Mexico*

Industry: Architectural/Constr./Engineering SVC, Air Conditioning/Refrigeration Eq., Building Products, Books/Periodicals, Construction Eq., Computer Software, Financial Services, Household Consumer Goods, Tools - Hand/Power, Regulations

EXPO CIHAC 18th Annual Exhibition and Technical Presentations, is the most prestigious event in Mexico and Latin America for the building, construction and housing industry. Organized by Centro Impulsor de la Construcción y la Habitación, Expo CIHAC 2006 will take place in the exhibitions and & conventions Centro Banamex, from October 17- 21, 2006. Event comprises following sub-sectors: a) basic building materials, scaffolding, structures, prefabricated and constructive systems; b) machinery, equipment, hand and power tools; c) light weight walls, lattices, coverings: floors, walls and plafonds; d) windows, skylights, glasses, doors, closets, hardware and locks; e) products for secondary works, furniture; f) water proofing systems, additives, insulates, sealers; paints, linings; piping, valves, tanks, equipment, hydraulic accessories; g) bathroom furniture, kitchens; h) air conditioning equipment; electrical conductors, conduit, equipment, elevators; i) lamps, luminaries, accessories; j) domotics (smart buildings), communication, security; hardware, software, design, engineering; k) publications; l) financial services, real estate; etc. The sector is expected to expand to US\$8 billion by the end of 2005. Exports to Mexico from the U.S. represent US\$2 billion, over 70 percent of the total import market. U.S. exhibitors will receive on-site support and counsel from U.S. Commercial Service

Mexico, valuable market research, be located at the USA pavilion area, access to private meeting and conference space, discounted Embassy rate at several hotels, arrangements for transportation upon request.

For more information, click [here](#).

Useful Websites

Ever need any information on a country in Latin America? Look into these resources!

[Consular Information Sheets : Latin America](#)

Consular Information Sheets are available for every country of the world. They include such information as location of the U.S. embassy or consulate in the subject country, unusual immigration practices, health conditions, minor political disturbances, unusual currency and entry regulations, crime and security information, and drug penalties. If an unstable condition exists in a country that is not severe enough to warrant a Travel Warning, a description of the condition(s) may be included under an optional section entitled "Safety/Security." On limited occasions, we also restate in this section any U.S. embassy advice given to official employees. Consular Information Sheets generally do not include advice, but present information in a factual manner so the traveler can make his or her own decisions concerning travel to a particular country.

[Country Background Notes: Latin America](#)

If you are looking for information on any of the U.S. territories and possessions, such as the U.S. Virgin Islands, Puerto Rico, Guam or American Samoa, you can go to the [CIA Factbook](#).

"[Tips for Traveling Abroad](#)" is the State Department site for other important health and safety information. Also, stay current with current information by visiting the "[News](#)" section.

For global security news and reports, visit the Overseas Security Advisory Council at

<http://www.ds-osac.org/>

For finding out about inoculations required for traveling abroad, please visit the Center for Disease Control traveler's health at <http://www.cdc.gov/travel/>